

Annual Report

St. Louis City Ordinance 69427



ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT

SLATE

MISSOURI CAREER CENTER

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MICHAEL K. HOLMES, EXECUTIVE DIRECTOR



Francis G. Slay, Mayor

2014



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STATE of CONSTRUCTION

2014 – Compliance, Collaboration and Capacity

Reviewing the effort and energy SLATE has placed in serving our youth, our businesses and our community partners, there is one area which seems to make the newspaper headlines more often than not – Construction. If it's the celebrated completion of Ballpark Village or the ever expanding Bioscience District at Cortex, or the much anticipated retail space of IKEA, construction is the touchstone for a lively conversation.

This year our Developers and Contractors Support Services Department (DCSS) has spent time focusing on what we consider three key areas: Compliance, Capacity and Collaboration.

Compliance –Our first goal and priority is to track the participation levels of apprentices, minorities, women and city residents.

Collaboration - We look at our partnerships internally and externally. This year we have opened our doors to work with other organizations and entities as we attempt to bring the unemployed and underemployed back to work with viable, lasting and marketable skills.

Capacity – There are challenges facing the Unions at all levels of diversity and we will discuss what is believed to be critical over the next years to equip the with the best trained labor force available.

Within this report, it is our intention to share with you how each of these focal areas have become critical to our strategic plan moving forward and our attempt to create more jobs and serve as a fair and equitable advocate for the citizens of the City of St. Louis.

Michael K. Holmes

Michael K. Holmes, Executive Director



EXECUTIVE SUMMARY

This 2013-2014 Annual Report is in response to the City of St. Louis Ordinance 69427 enacted by the Board of Aldermen on May 1, 2013.

The following Annual Report will provide information and takes into account projects that have been completed or are in progress or are anticipated to start. It should be known that the most current data and project listing in this report highlights projects under construction beginning August 1, 2013 to their current status as of July 31, 2014.

Ordinance 69427 provides for specific action pertaining to five (5) major issues in the St. Louis City Development and Construction fields:

1. Tax Incentive Financing (TIF) projects and St. Louis City Bonded Projects
2. Workforce Development Goals
3. Compliance Fees
4. Community Jobs Board
5. Remedies

Through Ordinance 69427, definitions have been provided, and a working partnership has been instituted, between St. Louis Agency on Training and Employment (SLATE) and St. Louis Development Corporation (SLDC) covering projects which are financed through a TIF with an estimated base value of \$1 million dollars.

Under current legislation, construction projects which are financed through tax abatements or that are below an estimated design value of \$1 million are not subject to Ordinance 69427.

The ordinance objectives are to be adhered to within the constraints of the subsequent topics. It is not the intent of this report to provide itemized details to each area of interest listed, however to solely highlight and illustrate the effectiveness and progression of development projects under the jurisdiction of Ordinance 69427 and its attempt to create a viable and productive workforce.

Ordinance 69427 covers the following areas and designates which projects are to provide accountability and workforce. Chosen issues will be specifically highlighted in further detail:

- Apprenticeship Goals
- Participation Goals for Minorities and Women
- City Residence Participation
- Construction Workforce Development
- Compliance Fee
- Implementation and Administration
- Community Job Board
- Waivers and Exceptions
- Non-Compliance
- Non-Discrimination Policy
- Reporting Requirement

The participation goals are vital to the effectiveness of Ordinance 69427. Within the project value and the funding stream, there are four (4) Workforce Development Goals which are to be measured:

- Apprenticeship 15%
- Minorities 25%
- Women 5%
- City Residency 20%

These Workforce Development Goals are paramount to every action taken within the confines of SLATE's involvement and the reporting of compliance issues, or the lack thereof.

With the recognizable and emerging construction and development projects occurring in St. Louis City and the surrounding area, from the building of Ballpark Village, a multisite bio-med development under the guidance of Cortex, to the 20 year, \$945 million bond construction of Metropolitan Sewer District (MSD), we see the need for a trained and community-reflective workforce. SLATE, with its partners, is in position to deliver what is needed – a growing, diverse and skilled workforce.

It is critical to understand the reporting of race is self reported. According to the US Department of Labor (DOL), race is a self reported classification and no employer or city agency has the legal authority to validate status.

ORDINANCE 69427

Workforce Development measurements were initially identified in 2009 through St. Louis City Ordinance 68412. This was just at the peak of what was considered the construction industry's toughest years. However, it was still evident that equality and diversity were critical to the success of the City's workforce. This former ordinance instituted solid measurements for a diverse workforce.

Of all labor hours, Apprenticeship was targeted at 15%, Minorities at 25%, Women at 5% and City Residency at 20%. These goals are still in place and the official working partnerships are in place with others to manage this endeavor.

Over the next few years, SLATE played an essential part to ensure these goals were met. With the Community Jobs Board and other partners, several test programs were implemented to determine the most efficient and effective path available to achieve the goals, monitor the process and institute a stop-gap if the plan for Workforce was not attained.

Seeing the viability of Workforce Development goals in place, Mayor Francis G. Slay signed Executive Order 46 on December 12, 2012. Executive Order 46 expanded the accountability of any redevelopment project supported by TIF's.

Following this action, the Board of Aldermen submitted and passed what is now the most effective and comprehensive Ordinance on record to date. Having this in place was needed to develop a viable and sustainable business model to continue to reach the Workforce Diversity goals.

Now after its first full year of enactment, the path to creating more long-term partnerships is established. A productive working relationship with many general contractors is being cultivated with joint labor-management union and trade organizations.

COMMUNITY JOBS BOARD

City of St. Louis Ordinance 69427, Section Eight, requires that the Mayor of the City of St. Louis, in conjunction with the President of the Board of Aldermen, appoint a Community Jobs Board requiring the approval of the Board of Aldermen. The ordinance expanded the Board from nine (9) seats to a total of thirteen (13) seats composed of the following:

- Two shall be appointees of the Comptroller
- Two shall be representatives of women construction contractors' associations
- Two shall be representatives of minority construction contractors' associations
- Three shall be representatives of community and faith-based organizations
- Two shall be representatives of construction labor unions
- Two shall be representatives of general and prime construction contractor associations

Letters were sent to the Mayor, President of the Board of Aldermen and the Comptroller requesting consideration of appointees they desire to have seated on the Community Jobs Board.

The Community Jobs Board currently consists of the following:

- Jeff Aboussie
- Yvette Goods
- Kelly Kenter
- Sal Martinez
- Lew Moye
- Len Toenjes
- George Webb
- Teresa Willis

PROJECT CLASSIFICATION AND OUTLINE

Under Ordinance 69427, there are four (4) construction project types that are identified within the scope of the ordinance and will be discussed in this Annual Report.

- Board of Public Service (BPS)
- Lambert St. Louis International Airport
- St. Louis Development Corporations (SLDC)
- St. Louis Provisional Projects

BPS is responsible for the design, letting, and construction management of all public works. In accordance with Ordinance 69427, the projects included in this annual report exceed the estimated cost of \$1 million as it is identified by the BPS estimators.

The second set of projects are construction and/or repair projects physically located at Lambert St. Louis International Airport. With many projects funded by the FAA or other federal funding sources, particular projects are specifically identified through the guidance of the ordinance.

The third project listings are those which have originated under the auspices of SLDC and are funded or supported by the TIF or City Bonds issued through the Comptroller's office. These projects are estimated to exceed \$1 million individually or exist as an element of a collective TIF, i.e. Cortex or Northside Regeneration.

Lastly, there are projects identified as St. Louis Provisional Projects. These construction projects are not supported through traditional sources and are generally privately funded. In addition, their construction dates may have come prior to the implementation of Ordinance 69427, yet they are engaged in a measurable good-faith effort in meeting the Workforce Diversity goals.

How we measure... COMPLIANCE

The first and most critical function of the Department is to ensure the residents of the City of St. Louis have a fair and equitable opportunity at construction projects and obtaining jobs.

Certified Payroll

To maintain the integrity in reporting, all SLATE managed construction projects require Certified Payroll as a legal validation of employees and their demographics. The Davis-Bacon and Related Acts require contractors that work on public buildings or public works under federal contracts in excess of \$2,000 to pay their employees “prevailing wage rates and fringe benefits” as defined by the U.S. Department of Labor’s Wage and Hour Division. To prove they are doing so, contractors must submit weekly certified payroll reports along with signed statements of compliance.

The weekly certified payroll report must be submitted on Form WH-347, “Payroll (For Contractors Optional Use),” or on another form with identical wording, according to the U.S. Department of Labor Employment Law Guide. It must be filed within seven days after the pay date.

Information on the certified payroll includes the name, address, race, and Social Security number of each employee, as well as their work classifications, hourly pay rates, hours worked, deductions and wages paid. It may also include information about fringe benefits and apprenticeship or trainee programs, if applicable.

SLATE is developing innovative ways to track the trends, measure the successes and identify the opportunities in which to build a stronger, diverse workforce. In doing so, we are looking at technology to build more robust and prolific reports where we can track the trends, and offenses, if they occur.

As agents for the City of St. Louis, we want to determine that the desires of the Board of Aldermen have been met by insuring projects meet the goals set forth by identifying areas and processes in which changes can be made to reach the goals.

How we build... CAPACITY

Building Union Diversity (B.U.D.)

As an innovative concept, Building Union Diversity (B.U.D.) will offer pre-apprenticeship construction training targeting minorities, women and the long term unemployed. With SLATE, B.U.D. will bring together a network of cooperating, joint labor-management construction skills training programs to offer an intensive, pre-apprenticeship program targeting displaced and long-term unemployed residents of the region, particularly drawn from the minority community interested in pursuing careers in construction. It will create a pool of trained and motivated graduates equipped with basic knowledge of the industry, and prepare them for full access to the participating unions, creating viable, qualified candidates for jobs in construction.

All training will be offered by nationally-certified and industry-approved skilled apprenticeship programs. The training will include both classroom and shop training; enrollees will be able to earn nationally recognized certifications and other licenses as they progress.

Once training is completed, SLATE will work with its industry and labor partners to place graduates into union apprenticeship programs that offer excellent wages and benefits, as well as on-going training and advancement.

Sure-Rides TM

To overcome a major hurdle in construction employment, SLATE launched a unique lending partnership with St. Louis Community Credit Union called the Sure RidesTM Auto Loan program. This initiative was designed to help qualified clients of select workforce development agencies get to work by giving them access to affordable car loans.

Long-term unemployment and diminished personal credit has prevented many people from obtaining car loans. This creates a losing situation for both employees and employers, thus dragging down our regional economy. People may have the capacity and skill to work, but cannot get to a job regularly because they don't own a car. Through this partnership, it has helped in bridging one gap by creating pathways out of poverty through stable employment.

Union Information Sessions

SLATE has conducted Construction Information Sessions for job seekers interested in construction careers. SLATE has invited all 20 trades to participate in the Construction Information Sessions. We have successfully completed information sessions with the following trades:

Union	Date	Participants
Heavy Equipment Operators	08/27/13	70
Laborers	09/23/13	40
Sheet Metal Workers	10/08/13	25
Carpenters	10/15/13	20
Painters	11/05/13	30
Electricians	11/07/13	32
Plumbers & Pipefitters	12/05/13	23
Roofers	01/16/14	23
Plasterers	02/20/14	15
Iron Workers	02/27/14	35
Floor Layers	03/20/14	29
Elevator Constructors	08/05/14	17

Those candidates interested in these specific opportunities have been encouraged to complete the application process as required to be considered for training opportunities. SLATE's Special Project's Team maintains a relationship with candidates and the Unions to ensure complete and thorough follow-through.

How we foster... COLLABORATION

This year we have cultivated new partners and reinvested in seasoned relationships. As an agent of the City of St. Louis, our first action is to fulfill the mission of SLATE:

“To develop a quality workforce that meets the economic and labor market needs of the region by providing leadership and promoting collaboration among public, private and elected official partners.”

We work extensively with the following agents of the City of St. Louis:

- The Mayor’s Office
- St. Louis City Board of Aldermen
- St. Louis Development Corporation (SLDC)
- Board of Public Service (BPS)
- Lambert-St. Louis International Airport
- Missouri Division of Workforce Development (DWD)

Civically, we have established a strong partnership with:

- Civic Progress
- The Urban League of Greater St. Louis
- The NAACP of St. Louis
- St. Louis Public Schools/Construction Careers Center Charter High School
- St. Louis Economic Development Partnership
- Ranken Technical College

Commercially, we have fostered great working relationships with:

- Over 38 Trade Unions of St. Louis
- MOKAN
- St. Louis Community Credit Union
- PEOPLE – an industry think tank
- Construction Forum STL - a platform for networking, communication, and collaboration

This is not exhaustive of our relationships. SLATE’s management team is active in the community to develop and maintain relationships and is always in search of opportunities to develop new working partnerships.

SLDC Projects

Report Date	Project	Value	Developer	Contractor	Start Work	Est. Completion Date	Min.	App.	Wom.	Res.	Total Construction Hours	Proposed Construction Hours
4/15/14	Cortex BioGenerator	1,946,038 Million	CORTEX	Tarlton	8/10/13	Complete	33.0%	28.7%	10.3%	14.3%	12,651.0	9,130.0
1/9/14	Cortex Wexford Heritage Bldg (Core&Shell)	23.5 Million	CORTEX	Tarlton	Dec-12	Complete	35.1%	12.6%	5.7%	22.4%	110,471.0	96,682.0
1/9/14	Cortex Wash U. at Heritage Bldg (1st & 3r)	4.5 Million	CORTEX	Tarlton	Jul-13	Complete	38.4%	28.3%	8.0%	23.0%	24,066.0	19,838.0
10/2/13	Cortex BJC Admin Bldg	25.3 Million	CORTEX	Clayco	Jan-13	Complete	22.9%	12.2%	8.0%	16.5%	71,760.0	no data
8/13/14	Cortex Wexford - CIC/Husch/Havana	3.6 Million	Cortex	Tarlton	3/21/14	Sep-14	31.3%	26.1%	6.5%	21.5%	18,282.0	17,701.0
8/12/14	706 Market - Phase 1 Demo	\$476,059	Koman	Tarlton	2/21/14	Dec-14	32.6%	17.4%	7.7%	18.5%	17,607	2,896.0
8/14/14	Cortex - Streetscape (Simms)	6.2 Million	CORTEX	Simms	11/14/13	Nov-14	26.3%	12.3%	4.7%	20.9%	11,585.0	21,441.0
6/24/14	Shriners	25.3 Million	CORTEX	S.M. Wilson	3/20/13	Dec-14	16.2%	5.9%	2.4%	6.3%	121,335	117,462.0
8/14/14	IKEA	±\$70 Million	Cortex	S.M. Wilson	3/3/14	Aug-15	15.9%	3.4%	5.4%	3.0%	6,251	TBD
8/14/2014	City Walk	53.6 Million	S.M. Wilson	S.M. Wilson	12/16/13	Dec-15	10.40%	9.60%	1.20%	7.00%	23,602.0	112,166.0
6/16/2014	@4240 - Manifest Digital	\$953,507	CORTEX	ISC		Jul-14	3.00%	15.50%	3.00%	5.30%	1,066.0	4,351.0

BPS Projects

Report Date	Project Name	Value	General Contractor	Construction Start Date	Completion Date	Min	App	Wom	Res	Total Construction Hours	Proposed Construction Hours
9/13/13	1520 Market Plaza Improvements	1.5 Million	C. Rallo	Nov-12	Substantially complete	42.0%	14.2%	1.5%	28.9%	3,860.5	3,286.0
1/31/14	America's Center AHU-33 & 34 (Emergency)	2.8 Million	Ben Hur	Aug-13	Substantially Complete	24.3%	16.8%	10.1%	18.5%	26,741.0	23,536.0
7/31/14	New Police Headquarters	6.9 Million	Tri-Co	Jul-13	Substantially Complete	41.7%	16.4%	4.4%	20.3%	44,879.6	34,283.0
12/31/13	Urban Green Alleys Phase II	1.0 Million	R.V. Wagner	Apr-13	Apr-14	35.6%	6.0%	7.5%	35.9%	3,915.5	4,908.0

St. Louis Airport Projects

Report Date	Project Name	Value	General Contractor	Construction Start Date	Completion Date	Min	App	Wom	Res	Total Construction Hours	Proposed Construction Hours
8/14/14	Terminal 1 Baggage Claim Concrete Structure	3.4 Million	Tarlton	Jan-13	Aug-14	20.3%	4.5%	4.8%	14.6%	30,529.0	24,801.0
8/2/14	Copper Roof	6.8 Million	Kozeny-Wagner	11/26/2013	Nov-14	20.50%	19.90%	4.80%	10.00%	23,809.00	24,810.0
♦ 2/21/14	Terminal 1 Ticketing Hall	No Data	K&S		NA	21.50%	19.10%	3.40%	12.20%	18,2071.31	67,643.0

♦ This project is an aberration. All construction began before any City of St. Louis Workforce measurements had been instituted.

St. Louis Provisional Projects - Ball Park Village

Report Date	Project	Est. Contract \$ Value	Developer	Contractor	Start Work	Est. Completion Date
6/4/14	Ballpark Village	22,175,403 Mil	Cordish	Paric	2/1/13	Substantially complete
AA	Cauc	Asian	Hisp	Others	Total Hours	Woman
27.5%	68.6%	0.3%	3.5%	0.0%	125,556.2	□ 2.5%

▲ Monitored by MOKAN



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New Copper Roof being installed at
Lambert-St.Louis International Airport
Photo courtesy of Kozeny-Wagner, Inc.